

budget surplus. The economy is now approaching \$10 trillion in size and more Americans are working than ever. That means federal tax receipts are soaring—the prime reason that the budget surplus keeps growing.

The latest revision by the Congressional Budget Office estimates the surplus at \$232 billion for the fiscal year ending Sept. 30—\$53 billion higher than the April estimate. Through 2010, the surplus is forecast to be \$2.2 trillion. Include Social Security surpluses and it grows to \$4.5 trillion. If your mind isn't boggled by these sums, you just aren't paying attention.

But before Congress proceeds to spend every last red cent of this money, here are a few cautionary red flags.

#### PAY DOWN THE DEBT

The national debt totals \$5.6 billion. Reducing the publicly held portion of it—about \$3.6 trillion—is akin to giving the whole nation a tax cut because it reduces future debt service. This must be the No. 1 priority.

#### GET REAL WITH SPENDING CAPS

They were imposed in 1997 when it looked like the only way for America to dig itself out of a swamp of red ink was to strictly limit discretionary spending. That's what gets spent on everything else after defense, debt service and entitlement programs like Social Security and Medicare are paid for. Well, the deficit swamp has been drained. The caps remain, but that doesn't mean Congress complies with them. The Republicans have been moving spending in or out of the current fiscal year or calling it an "emergency," allowing them to technically meet the caps but still spend lavishly.

This is worse than having no caps at all. It is time to be honest about these spending caps. Establish a new baseline cap; allow for minimal annual increase, then stick to it.

#### REMEMBER PROJECTIONS AREN'T REAL MONEY—YET

That doesn't mean the projected surplus won't become real money. But 10 years is a long time and a lot can change over a decade. If you don't believe that, just remember back to 1990 and the projected deficits that seemed to stretch endlessly into the future.

#### SOCIAL SECURITY AND MEDICARE STILL NEED WORK

Neither presidential candidate has addressed the core demographic problem that looms for these programs: the aging of the giant Baby Boom generation. The Concord Coalition refers to both their Social Security reform plans as "free lunch proposals." There is no free lunch. Expanding tax-free retirement accounts—as Al Gore proposes—or allowing market investment of some portion of Social Security taxes—as George Bush proposes—won't change the fact that the system will become actuarially unsound unless benefits are cut, taxes raised or the retirement age delayed.

Add to Medicare's shaky fiscal foundation some looming big ticket items—a prescription drug benefit and some provision for long-term care—that will have to be financed if, as seems increasingly likely, the nation decides they are essential to have.

#### LISTEN TO ALAN GREENSPAN

The spending and tax cut "debates" under way now have little to do with the soundness of overall fiscal policy. Is this a good thing to consider? Should we do this? These are not the questions being asked. There is an assumption that the money is there, so why bother with that debate? If they're politically popular—and what's not to like about a tax cut or higher spending—put 'em in the

pot. The most recent example of this is the metamorphosis of the GOP drive to end the marriage tax penalty. This has now grown into a generous tax cut for all married people, with a total 10-year price tag of \$292 billion.

No one can guarantee the economy will continue to prosper as robustly as it has. "A number of the potential programs, both expenditures and tax cuts in the pipeline, do give me some concern," said Federal Reserve Board Chairman Alan Greenspan, at his mid-year economic review on Capitol Hill last week. "The growing surplus has kept the expansion stable. Tax cuts or spending increases that significantly slow the rise of surpluses would put the economy at risk."

Listen to the man.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. How much time do we have remaining?

The PRESIDING OFFICER (Mr. SANTORUM). On the Democratic side, the time is until 10 o'clock.

#### THE SENATE'S CALENDAR OF BUSINESS

Mr. KENNEDY. Mr. President, I point out to our colleagues and friends the Calendar of Business for the Senate. This is the calendar of the business pending, the unfinished business, and a list of various pieces of legislation reported out of the committees.

The American people probably don't have this at their fingertips, but if you take the time to look at this when you visit the library, or you can write to Members of the Congress, you will find out that in the pending business the first order is a bill to extend programs and activities under the Elementary and Secondary Education Act of 1965. Right next to it, it says May 1, 2000. That means that this has been the underlying and pending piece of legislation. Yet we are denied any opportunity to address what is going to be the Federal participation in working with States and local communities in the areas of education. We didn't address it in the rest of May. We received assurances by the Republican leadership that we were going to come back and address those issues and questions. We didn't do it in June, and we didn't do it in July, although we were told we would be able to address these issues in evening sessions and have a disposition of that legislation.

In the meantime, what have we done? As my friend from Illinois has pointed out, we have seen a tax cut of over \$1 trillion. We had something else done, too. The House of Representatives have given themselves a pay increase of \$3,800 a year. We didn't see the increase in the minimum wage. They didn't vote for that. In fact, when TOM DELAY was asked about the increase in the minimum wage, he said: That doesn't affect us. What he continued to say is we are not in the business; we are overseers of a \$2 trillion economy. And he was quite dismissive of the problems

and challenges that are affecting working families at the lower rung of the economic ladder.

We have not done the American people's business. We are not addressing the questions of smaller class sizes. We are not addressing the issue of trying to train teachers to be better teachers. We are not addressing the issue of afterschool programs. We are not addressing the efforts to try to deal with the problems of the digital divide. We are not dealing with the greater kinds of accountability of the expenditures of funds in terms of education. That is off the agenda. As has been pointed out many times since the founding of the Republic, debates on the floor of the Senate are about priorities.

The majority leaders have effectively dismissed debate, discussion, and action on education in order to have a trillion dollar tax cut for the wealthiest individuals and a pay increase for themselves. No attention to prescription drugs. Thumbs down on that. Thumbs down on a Patients' Bill of Rights. We haven't got time to debate a Patients' Bill of Rights or a Medicare prescription drug program. We haven't got the time to debate a gun issue to try to make our schools safer. But we have the time to debate a trillion dollar tax cut and a pay increase of \$3,800.

If you take the increase in the minimum wage for 2 years, we are talking about half of what the increase would be for a Member of Congress. We can't even debate it. We can't discuss it. We can't vote on it because that is not part of the agenda of our Republican leadership. That is what this is about. It is about priorities. That is what this election is going to be about, ultimately. No action in terms of the Patients' Bill of Rights, even though we are one vote short of being able to get action, to try to ensure that decisions affecting families are made by doctors and trained medical officials and not accountants for the HMOs. We are not going to have, evidently, action on the gun issues to try to make our schools safer and more secure, to try to limit the availability of guns to children in our society that results in more than 10 children every single day being killed. We are not able to do it. We want to indicate to the majority that we are going to take every step possible to make sure we are going to address those issues. We have been cut out and closed out to date. But we are not going to do it.

Here it is Tuesday morning. Quorum calls all day Monday. Quorum calls this morning. Failing to take action on these issues, it is basically an abdication of our responsibility. We are not going to go silently into the night. I understand the hour of 10 o'clock has arrived.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Since there are no Republican Senators on the floor seeking